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FISCAL IMPACT STATEMENT

LS 6067

BILL NUMBER: HB 1927

NOTE PREPARED: Nov 6, 2002

BILL AMENDED:

SUBJECT: Skills 2016 Training Fund.

FIRST AUTHOR: Rep. Yount

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill permits an employer to opt out of the Skills 2016 Training Program, including payment of the program's assessments. It provides for a partial refund for assessments already paid. The bill provides that an employer that opts out of the program is not eligible to receive a program grant.

Effective Date: Upon passage.

Explanation of State Expenditures: See *Explanation of State Revenues*.

Explanation of State Revenues: The bill could reduce the available revenue for the Skill 2016 Training Program. The current assessment is 0.09% to be assessed upon the previous year's taxable wages. For FY 2002 the revenue generated by the assessment was \$13,766,688. The amount of the reduction in revenue would depend on the number of employers opting out of the program.

Background: The Skills 2016 Training Program was established under I.C. 4-4-4.6. This program provides financial assistance to new and existing Indiana businesses for the training of both new and existing employees. The goal of the Skills 2016 Training Program is to encourage the development of Indiana's human resources and economic base through training assistance designed to promote skills enhancement, employment opportunities, business modernization, productivity enhancement, quality standards, and competitiveness training.

During the period from 1997 to June 30, 2002, the Department of Commerce processed 908 grants to Indiana businesses from the Skills 2016 Fund (formerly Training 2000) totaling \$57,265,688. Approximately 25% of these funds were committed for the training of nearly 48,600 new workers, and \$42 M was committed for

the training of 247,000 existing workers. These funds assisted in leveraging approximately \$10.6 B in private capital investment.

Since April 2000, the Department of Commerce has allocated \$1 M of the Skills 2016 Training Program to establish the Technology Enhancement Certification Fund for Hoosiers (TECH Fund). The Department of Workforce Development also contributed \$1 M to this program. The TECH Fund is a reimbursement grant program whose purpose is to help companies meet the demands of the new information economy by rapidly increasing the number of certified information technology workers in Indiana. There is a continuing effort to recruit and assist these companies to ensure that Indiana remains in the forefront of the high-tech sector of the economy.

From April 2000 through June 30, 2002, 87 companies have been awarded TECH Fund grants of \$1.7 M. These companies have committed to train over 1,100 employees in technology certification programs.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Commerce, Department of Workforce Development.

Local Agencies Affected:

Information Sources: Auditor of State Revenue Trial Balance, Department of Commerce Budget Submission.

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